

NSC BRIEFING

ESTIMATE OF THE WORLD SITUATION

I. GENERAL VIEW OF THE PAST YEAR

East West struggle took on somewhat more ominous character.

- A. This view is based on obvious confidence Sino-Soviet leaders that cumulative effect of Bloc scientific, economic, and military development has caused shift in relation of forces in the world in favor of Bloc.
- B. It also based on cumulative impact of series of assertive Bloc actions during the past year -- Taiwan Strait, Berlin, and Iran.
- C. Extent of Bloc confidence and assertiveness all the more impressive in that it developed despite repeated demonstrations Western firmness and that Communist cause met with difficulties and reverses in several non-Communist countries (UAR, Indonesia, Burma, etc.).

II. THE BALANCE OF MILITARY POWER AND THE LIKELIHOOD OF WAR

- A. Abundantly clear that Soviets making strenuous efforts achieve a position of military superiority over US. But because of the rapid pace of developments in technology, calculations concerning balance of military power are unusually difficult.
- B. Nevertheless, assuming that US and Soviet military efforts roughly commensurate, we do not believe that US nuclear capabilities will cease to deter the USSR, at least in the next few years.
 - 1. Soviet leaders will probably continue to judge that general war with the US would inevitably involve unacceptable damage to the USSR.

2. Even if they should, for a time, believe themselves to possess fairly substantial superiority in missiles, they would almost certainly be unsure of degree of surprise they could achieve in attacking US retaliatory power, or of decisiveness of such attack.

C. But the considerations which thus deter deliberate initiation of general war do not remove possibility of limited or local wars; indeed, increasing Soviet nuclear capabilities have made Soviet leaders feel freer to adopt aggressive posture in peripheral areas, and probably somewhat freer to encourage or instigate armed conflict in these areas, although probably not initially with overt Soviet forces:

1. While US action in Taiwan Strait crisis clearly indicated the risks involved in such situations, possible that Sino-Soviet leaders will come to estimate that the US would not act in a similar manner on other occasions because:

(1) US could not bring effective force to bear in a local situation, or

(2) US would be adverse to initiating widespread or general war.

2. Bloc leaders might estimate that a local war could be fought without expanding into general war because threat of mutual destruction was so great that both powers would keep the war from spreading -- even if US and Soviet armed forces engaged.

3. In making such estimates, Bloc leaders might be wrong. Hence if general war occurs at all during next few years, it likely to result from such a miscalculation rather than from deliber-

ate intent.

NOTE: Joint Staff and Air Force dissent. Joint Staff disagrees that increasing nuclear capabilities will probably make Soviet leaders feel "somewhat freer to encourage or instigate" local wars; Joint Staff thinks increasing Soviet awareness of destructiveness nuclear war will make for continued caution.

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III. PROBLEMS OF THE ATLANTIC COMMUNITY

- A. Total strength of the Atlantic Community has improved in sense that individual European countries economically stronger and politically more stable than at any time since 1945. Moreover, they remain firmly committed to cooperation among themselves and with US.
- B. Nevertheless, along with movement toward cooperation, there exist strong countervailing tendencies:
 - 1. Problems created by Common Market. Elimination of trade barriers among the Six will, at least in short run, adversely affect ability of other WE states (the Eleven) to compete in Common Market area, and will cause certain permanent alterations in trade patterns as cost-price relationships changed.
 - a. Little hope for solution this problem by such devices as Free Trade Area; probable outcome is that over a period

some compromise will be worked out between so far adamant positions of France and UK.

- b. Six themselves have many problems which must be overcome if they are to develop fully the opportunities inherent in creation of enlarged market area.

2. Problems of NATO. European members regard NATO as indispensable to their security, particularly because it represents US commitment to common defense. Differences of opinion and even interest to be expected, but we see no indication of wavering on vital issue of common resistance to Soviet threat.

- a. Nevertheless, in light of advanced weapon development, is some questioning of NATO strategic concepts, especially as to shield forces.
- b. UK and French determination to acquire strategic nuclear forces under own command creates another major problem, and affects their ability provide forces to NATO.
- c. DeGaulle's efforts restore image of France as a great power also creating major difficulties.

3. Interest in Disengagement. NATO may also be affected by outcome of Berlin crisis, especially if West German role in NATO modified. Increasing number Europeans believe some form of disengagement US and Soviet forces from Central Europe essential to reduce tensions and remove major obstacle to German reunification.

- a. At present, WE governments and most articulate public opinion wary of Soviet disengagement schemes. These regarded as designed to disarm and divide West while leaving Soviet position in EE essentially undisturbed; however, WE might in time be more receptive to disengagement concept, particularly if linked to some acceptable formula for European security.
- b. Germany the crux of disengagement problem. Adenauer generally hard and unyielding toward all such proposals, but pressure increasing within West Germany for re-examination whole complex of issues relating to reunification. When Adenauer dies, or even before, these will be subject to public debate. Almost certainly any successor regime will be more receptive.

IV. TRENDS IN UNDERDEVELOPED WORLD.

- A. While underdeveloped world will remain a principal arena of East-West struggle, course of the burgeoning social revolution in this area will be determined largely by developing aspirations of indigenous peoples and by success or failure their leadership in dealing with basic economic, social, and political problems.
- B. Especially in the past year, has been a halt (perhaps only temporary) in adverse trends in some of newly independent countries.

1. In several of those with some experience of independence, leaders have tended to become more conscious of scope and complexity of problems with which they confronted.
 2. Some also more aware of threat posed by the Communists, especially where CP has grown substantially in strength or has actually challenged non-Communist leaders. Also some Asian countries have become more conscious of potential of Communist China.
 3. Adverse trends, however, continue in many area.
- C. Striking development during past year in underdeveloped world has been sharp increase in military regimes.
1. A fundamental cause is absence, in most of area, of experience necessary to effective government which can cope with modern problems.
 2. Advent of military-dominated governments could bring certain favorable factors to bear in their respective countries, but there are dangers involved. In particular, if US should help them and they prove ineffective or become increasingly authoritarian, US will be confronted with situation similar to that it faces in Latin America as result of its friendly relations with dictators.

V. TRENDS IN SINO-SOVIET STRENGTH (switch to 11-4-58)

- A. While some short term trends, especially in underdeveloped world, more favorable in 1958 than 1957, underlying adverse trend created by rapid growth Sino-Soviet power continues.
1. Startling "Giant Leap Forward" and Commune experiments were subject

recent NIE on Present Trends in Communist China (13-2-59, 10 February). If accelerated growth and semi-total mobilization Peiping's power continues, as we think likely, we faced with increasingly grave threat in Far East.

B. Outlook for USSR over period Seven Year Plan (1959-65) also ominous:

1. Foreign policy aspect mentioned already -- increased Soviet confidence and assertiveness, and resultant impact on risks of war.
2. Underlying this assertiveness is Bloc's growing military strength, especially in missiles (briefed on last week) but also conventional forces. Soviets apparently continue believe in large and diversified establishment [redacted]

3. Equally important are pace of Soviet scientific technological progress plus continued economic growth at rate now double ours.
 - a. Must expect further scientific successes (man in space, etc.) Their all-out effort develop massive scientific base now paying off.
 - b. Economically, 7-Year Plan goals seem realizable, except in agriculture. Estimate Soviet GNP will grow at around 6% through 1965.
 - c. If US average annual rate is $3\frac{1}{2}\%$, Soviet GNP still only about half ours in dollar terms by 1965. But in terms
uses to which GNP put Soviets already comparable to us in

key sectors, e.g., dollar value Soviet defense outlays (i.e. what their effort would cost us) about equal to that of US.

d. Achievements Soviet economy have also become vitally important element in impact of Soviet policy abroad:

1. Provide growing ability to support aid, credit programs, also use trade as political weapon.
2. Psychological impact on underdeveloped states of successful Sino-Soviet example.

4. Internally, no serious challenge to Khrushchev leadership likely so long as his health vigorous. In absence such challenge or major policy setback, he unlikely return to Stalinist terror.

- a. If K died probably would again be period jockeying for power, but this unlikely basically affect continuity of regime's policies.
- b. Over very long run, loss of belief in ideology and increasing influence of non-ideologically inclined professionals may moderate Soviet outlook. But at present see no prospect of such fundamental changes as would diminish regime's will and ability project externally its rapidly growing power.
- c. Nor do we see much prospect diminution Chicom threat over any but very long run. Although Leap Forward and Commune

innovations have caused some Sino-Soviet friction, these highly unlikely threaten their solidarity against West.

VI. SUMMARY OF MAJOR TRENDS. (switch back to 100-59)

A. During next few years, world situation will continue be affected fundamentally by course of East-West struggle, by social revolution in underdeveloped world, and by scientific, economic, and technological developments.

1. Since Bloc rate growth will almost certainly remain above that of West, will narrow still further economic gap between the two power blocs.
2. Balance of military power between Soviet Union and the US will almost certainly remain such as to deter deliberate Bloc initiation general war.
3. Nevertheless, Sino-Soviet Bloc leaders (impressed by their own economic, scientific, and military progress) will pursue an increasingly vigorous and assertive foreign policy, with resultant heightened risks of war.

B. Bloc, in its drive to gain superiority over West and to dominate underdeveloped world, retains certain advantages:

1. While West has greater resources, richer diversity of skills and talents, and formidable power, Bloc has more effective organization for focussing its more limited resources to accomplish particular ends.

2. Bloc derives tactical advantage under certain circumstances from its ruthless disregard for human life and for processes orderly change -- it seeks radical change in its favor, while West seeks gradual change that will not jeopardize accumulated human values of the past.

C. However, extent to which Bloc can exploit its advantages will depend to important degree on skill with which its leaders pursue their objectives. Finally, and most importantly, it will depend on the effectiveness with which West on the one hand reacts to assertiveness of the Bloc, and on other seizes opportunities to take initiative itself.